

September 26, 2003

Ref: 3296-21967

Honorable James H. Welsh  
Commissioner of Conservation  
Post Office Box 94275  
Baton Rouge, LA 70804-4275

Re: Hearing Application  
Hackberry Zone, Reservoir A  
Hackberry Zone, Reservoir B  
INDIAN VILLAGE FIELD  
Jefferson Davis Parish, Louisiana  
Applicant: Palace Exploration Company

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Palace Exploration Company** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Hackberry Zone, Reservoir A and Hackberry Zone, Reservoir B, in the Indian Village Field, Jefferson Davis Parish, Louisiana.

**Hackberry Zone, Reservoir A**

1. To create two (2) single drilling and production units of approximately 160 acres for the Hackberry Zone, Reservoir A, designated as the HBY RA SUB and HBY RA SUC, Indian Village Field, Jefferson Davis Parish, Louisiana, all as shown more particularly on the attached plat;
2. The Hackberry Zone, Reservoir A in the Indian Village Field, Jefferson Davis Parish, Louisiana was previously defined in Office of Conservation Order No. 143-F-1 and is further defined as being that gas and condensate bearing zone encountered between the depths of 8,668 feet and 8,900 feet (electrical log measurements) in the Zinke and Trumbo, Inc.-Kinder Canal No. 1 Well located in Section 35, Township 7 South, Range 6 West, Jefferson Davis Parish, Louisiana.

**Hackberry Zone, Reservoir B**

1. To create two (2) single drilling and production units of approximately 160 acres for the Hackberry Zone, Reservoir B, designated as the HBY RB SUA and HBY RB SUB, Indian Village Field, Jefferson Davis Parish, Louisiana, all as shown more particularly on the attached plat;
2. The Hackberry Zone, Reservoir A in the Indian Village Field, Jefferson Davis Parish, Louisiana was previously defined in Office of Conservation Order No. 143-F-1.

GAMD-LAF:22656-1

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For the Above Zones and Sand

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the said units;
2. To designate a unit operator and a unit well for the HBY RA SUB.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on September 24, 2003. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference. The rights of the parties were reserved.

The conference was opened by Mr. B. J. Duplantis. Mr. Bill Robbins of W. H. Robbins & Associates presented the plan of applicant. Questions were asked and answered. Mr. Stan Warburton on behalf of Kinder Canal presented a counterplan for the HBY RA SUB centering the unit east and west around the well and Mr. Joe B. Adams on behalf of Cagle Land Trust presented a counterplan for the HBY RB SUA and SUB increasing the acreage to 183 acres for each unit. All the parties agreed to continue to reconcile their differences. It appears that there will be opposition at the public hearing on this matter.

Attached hereto and made a part hereof are plats outlining the HBY RA SUB, HBY RA SUC, HBY RB SUA and HBY RB SUB, Indian Village Field, Jefferson Davis Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

Upon receipt of the legal notice in the captioned matter, the notice will be posted, published and mailed in accordance with Rule 7 of the Rules of Procedure.

Any pertinent data relating to the proposed units can be obtained, AT THE COST OF THE REQUESTING PARTY, from Bill Robbins, of W. H. Robbins & Associates, 140 Rue Beauregard, Suite 100, Lafayette, La 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

  
B. J. Duplantis

BJD/ht

Attachments

cc: Mr. Richard D. Hudson  
District Manager  
Office of Conservation

All Interested Owners,  
Represented Parties and  
Interested Parties and parties  
on attendance list

